IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No 138 of 2001

with

COMPANY PETITION No 139 of 2001

For Approval and Signature:

Hon'ble MR.JUSTICE M.S.SHAH

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

PAB CHEMICALS PVT. LTD.

Versus

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Appearance:

1. COMPANY PETITION No. 138 of 2001

MR AR MAJMUDAR for Petitioner No. 1

MR DN PATEL for Respondent No. 1

MS PJ DAVAWALA for Respondent No. 1

CORAM : MR.JUSTICE M.S.SHAH

Date of decision: 05/02/2002

COMMON ORAL JUDGEMENT

Heard Mr AR Majmudar learned counsel appearing for the petitioners and considered the contents of the petitions. I have also heard Mr DN Patel learned Sr. Central Government Standing Counsel as well as Ms. PJ Davawala learned Additional Central Government Standing Counsel.

2. The Official Liquidator who is present in the Court has also submitted his report. I have considered the contents of the report of the Official Liquidator. I have also considered the letter dated 16-1-2002 tendered by Ms. Davawala received by her from the Registrar of Companies, which is taken on record.

3. The Scheme of amalgamation has been approved by the shareholders of the Transferee Company by giving their written consent. The shareholders and the secured creditors of the Transferor Company have given their written consent approving the proposed Scheme. Therefore, the meetings of the shareholders of both the Companies and the creditors of the Transferor Company were dispensed with as per this Court's order dated 30-3-2001 in Company Application Nos. 104 and 105 of 2001.

4. After the petitions were admitted, they were advertised in the newspapers on 6-9-2001 but no one has come forward opposing sanction to the Scheme of Amalgamation.

5. Notices of the petitions have been served upon the Central Government and Mr DN Patel, Sr. Central Government Standing Counsel and Ms. PJ Davawala, Additional Central Government Standing Counsel have appeared for the Central Government. It is informed to the Court and letter is placed on the record by the Dy. Registrar of Companies dated 16-1-2002 indicating that the Central Government does not propose to object to the proposed Scheme of Compromise and Arrangement. Notice of the Transferor Company has also been served upon the Official Liquidator as required under the second proviso to section 394 (1) of the Act and the Official Liquidator has filed his report dated 16-1-2002 stating that the affairs of the Transferor Company have not been conducted in a manner prejudicial to its members or to public interest.

6. I have heard Mr AR Majmudar, learned counsel for the petitioners, the learned Senior Standing Counsel and Additional Standing Counsel for the Central Government and the learned Official Liquidator and having gone

through the petitions, I am satisfied that the amalgamation would be in the interest of the Companies and their members. In the circumstances, the Scheme of Amalgamation (Annexure C to the petitions) is sanctioned. Prayer in terms of para 22(a) in Company Petition No.138 of 2001 and prayer in terms of para 23(a) in case of Company Petition No.139 of 2001 are granted.

7. The petitions are accordingly allowed and stand disposed of.

So far as the costs to be paid to the learned Standing Counsel for the Central Government are concerned, I quantify the same at Rs.3500/- each per petition. The same is to be paid to Mr DN Patel and Ms. PJ Davawala, by the petitioner - Companies.

(M.S. Shah,J)

zgs/-